



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



FILE COPY

DARLENE GREEN
Comptroller

Internal Audit Section

Carnahan Courthouse Building
1114 Market St., Room 642
St. Louis, Missouri 63101
(314) 622-4723
Fax: (314) 613-3004

DR. KENNETH M. STONE, CPA
Internal Audit Executive

November 20, 2009

Gloria Lee, Executive Director
Our Lady's Inn
4223 S. Compton
St. Louis, MO 63111

RE: Missouri Emergency Shelter Grant (MESG) and Federal Emergency Shelter Grant (FESG) (Project #2009-HOM27)

Dear Ms. Lee:

Enclosed is a report of the fiscal monitoring review of Our Lady's Inn, a not-for-profit organization, MESG and FESG programs, for the period January 1, 2008 through March 31, 2009. The scope of a fiscal monitoring review is less than an audit, and as such, we do not express an opinion on the financial operations of Our Lady's Inn. Fieldwork was completed on June 5, 2009.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and through an agreement with the City of St. Louis Department of Human Services (DHS) to provide fiscal monitoring to all grant sub-recipients.

If you have any questions, please contact the Internal Audit Section at (314) 622-4723.

Sincerely,

Dr. Kenneth M. Stone, CPA
Internal Audit Executive

Enclosure

cc: Patrick Brennan, Fiscal Manager, DHS
Antoinette Triplett, Manager II - Homeless Services, DHS



CITY OF ST. LOUIS CITY OF ST. LOUIS

**DEPARTMENT OF HUMAN SERVICES (DHS)
MISSOURI EMERGENCY SHELTER GRANT (MESG)
FEDERAL EMERGENCY SHELTER GRANT (FESG)**

**OUR LADY'S INN
DOCUMENT #56242&58211
CFDA #14.231**

FISCAL MONITORING REVIEW

JANUARY 1, 2008 THROUGH MARCH 31, 2009

PROJECT #2009-HOM27

DATE ISSUED: NOVEMBER 20, 2009

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
DEPARTMENT OF HUMAN SERVICES (DHS)
MISSOURI EMERGENCY SHELTER GRANT (MESG)
FEDERAL EMERGENCY SHELTER GRANT (FESG)
OUR LADY'S INN
FISCAL MONITORING REVIEW
JANUARY 1, 2008 THROUGH MARCH 31, 2009**

TABLE OF CONTENTS

<u>Description</u>	<u>Page(s)</u>
INTRODUCTION	
Background	1
Purpose	1
Scope and Methodology	1
Exit Conference	1
Management's Responses	1
SUMMARY OF OBSERVATIONS	
Conclusion	2
Status of Prior Observations	2
A-133 Status	2
Summary of Current Observations	2
DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT'S RESPONSES	3

INTRODUCTION

Background

Contract Name: Our Lady's Inn

Document Numbers: 56242 (FESG)
58211 (MESG)

CFDA Number: 14.231

Contract Periods: January 1, 2008 through December 31, 2008 (FESG)
April 1, 2008 through March 31, 2009 (MESG)

Contract Amounts: \$4,900 (FESG)
\$15,700 (MESG)

The purpose of the Missouri Emergency Shelter Grant (MESG) and Federal Emergency Shelter Grant (FESG) was to provide emergency shelter/transitional housing, food and supportive services to individuals/families who are City of St. Louis residents and who were homeless or at risk of becoming homeless.

Purpose

The purpose of the review was to determine the Agency's compliance with federal, state and local DHS requirements for the period January 1, 2008 through March 31, 2009, and make recommendations for improvements as considered necessary.

Scope and Methodology

Inquiries were made regarding the Agency's internal controls relating to the grant administered by DHS. Evidence was tested supporting the reports the Agency submitted to DHS and other procedures were performed as considered necessary. Fieldwork was completed on June 5, 2009.

Exit Conference

An exit conference was offered to the Agency on November 6, 2009, but it was declined.

Management's Responses

The management's responses to the observations and recommendations identified in the draft report were received from the Agency on November 19, 2009. These responses have been incorporated into this report.

SUMMARY OF OBSERVATIONS

Conclusion

The Agency did not fully comply with federal, state and local DHS requirements.

Status of Prior Observations

The Agency's previous fiscal monitoring report, Project #2008-HOM16, issued October 21, 2008, contained one observation:

- Opportunity to Submit Monthly Financial Reports in a Timely Manner (**Repeated - See current observation #1**)

A-133 Status

According to a letter received from the Agency dated April 13, 2009, it did not expend \$500,000 or more in federal funds in its fiscal year ended December 31, 2008, therefore, was not required to have an A-133 audit.

Summary of Current Observations

Recommendation was made for the following observation, which if implemented could assist the Agency in fully complying with federal, state, and local DHS requirements.

- Opportunity to submit monthly financial reports in a timely manner (Repeated)

**DETAILED OBSERVATIONS, RECOMMENDATIONS
AND MANAGEMENT'S RESPONSES**

Opportunity to Submit Monthly Financial Reports in a Timely Manner (Repeated)

The prior fiscal monitoring report of the Agency dated October 21, 2008, identifies that the Agency submitted monthly financial reports late. In the current review period, the Agency submitted November and December 2008, and February and March 2009 monthly financial reports late by an average of 13 days.

DHS guidelines require the Agency to submit monthly financial reports by the 15th day of the month following the reporting month.

The Agency did not have a system of internal control to ensure its compliance with the DHS monthly financial reporting guidelines.

Submitting monthly financial reports late may result in delays or suspension of the processing of reimbursement requests submitted by Agency.

Recommendation

It is recommended that the Agency comply with DHS guidelines and submit its monthly financial reports by the 15th day of the month following the reporting month.

Management's Response

We have received your fiscal monitoring review dated November 6, 2009 and we are in concurrence with the observation that we have been late on submitting our request for reimbursements on the dates noted in the report. Over the course of the last two years we have tried hiring some office help to help with the grants, but each time, the individuals have left the position for different reasons. This past year, the board did not fill this position due to financial concerns. I have informed them that we really do need more office help to help with the grant documentation and they have budgeted for it in 2010 and hopefully the person hired will stay this time. Thank you for your patience and understanding as we try to do a better job.